

**REMARKS**

Claims 1, 2, and 5-9 are currently pending in the present application, with Claim 3 being further canceled, and Claims 1, 8, and 9 being amended. Reconsideration and reexamination of the claims, as amended, are respectfully requested.

The Examiner rejected Claims 1-9 under 35 U.S.C. 102(b) as being anticipated by Hertz (U.S. patent no. 5,262,865). This rejection is moot with respect to the canceled claims and respectfully traversed with respect to the amended claims.

As previously communicated, the preferred embodiments of the present invention, as claimed, are directed to a system and method for applying effects to a video that is reproduced. Specifically, in accordance with the preferred embodiment, an apparatus includes a parameter setting section for setting parameter values to be used for applying a visual effect to a video picture, a sequence control section having a memory for pre-storing parameter values and for reading out the pre-stored parameter values in accordance with the time progress of the reproduction of a video signal, and a video signal processing section that processes the video signal in accordance with the parameter values as read out. Applicants have amended the independent claims to incorporate the subject matter of canceled Claim 3, which further recites the limitation of specifying a time interval for updating parameter values so that they are periodically updated in a stepwise manner.

As previously communicated, Hertz discloses a combination of a video mixer and a personal computer, wherein various types of editing parameters are provided from the personal computer to the video mixer on a frame by frame basis. Applicant respectfully submits that Hertz does not contain any disclosure or suggestion of specifying a time interval for updating parameter values. Although the Examiner points to Col. 4, lines 2-17 of Hertz as disclosing this feature, Applicant

submit that the cited section discloses only FIFO and interrupt operations of the personal computer, and makes no mention of setting time intervals for updating parameter values. Accordingly, Applicant respectfully submits that Claims 1, 2, and 5-9 are not anticipated by, or obvious in view of, Hertz.

In view of the above, Applicant respectfully submits that all of the pending claims are in condition for allowance.

An entry of the amendments after final is respectfully requested, as the amendments do not raise any new issues requiring a new search.

In the event the U.S. Patent and Trademark office determines that any additional financial relief is required, applicant petitions for any required relief including extensions of time and authorizes the Commissioner to charge the cost of such petitions and/or other fees due in connection with the filing of this document to Deposit Account No. 03-1952 referencing docket no. 393032040700.

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Respectfully submitted,

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